

Your Way

QUARTERLY SUMMER 2025



Franklin Financial
Services Corporation

F&M
TRUST

IN GREAT COMPANY

Learn how being added
to the Russell 2000 Index
benefits our independent
community bank.

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Craig Best
President & CEO

QUARTERVIEW

SHAREHOLDER UPDATE

Reliable Performance Creates Better Financial Opportunities



Franklin Financial reported for the second quarter ending June 30, 2025 net income growth of 94.8% over the same quarter in 2024 and assets under management were \$1.4 billion, a 6.9% increase since June 30, 2024.

I've settled quickly into my exciting role as President & CEO of the Bank. Continuing our success and building for the future are my core objectives.

As the baton was passed to me, I have been working to ensure F&M Trust continues to operate seamlessly with minimal disruption due to the well-planned leadership change. So far, it's been an amazing experience.

I am privileged to share that our second quarter finished solidly – ranking as one of the best quarters ever recorded in our bank's history.

As we move into the second half of 2025, we are diligently monitoring several important trends, including the factors that affect deposit costs, asset quality, non-interest income, and earnings.





Additionally, I'm pleased to share that your company was accepted into the **Russell 2000 Index** for the second time since joining the NASDAQ in 2019.

This index, focused on 2,000 of the smaller publicly traded companies, is actually part of the larger *Russell 3000 Index*, which represents the 3,000 largest U.S. companies. The *Russell 2000 Index* is a benchmark for measuring the performance of small cap companies and mutual funds. Inclusion signals that companies meet certain standards of size and liquidity. As a result, shareholders can benefit as the bank enjoys additional opportunities with increased visibility, capital inflows, and liquidity management.

As you may know, Skip Jennings, Vice Chairman of the Board, has

retired after 23 years of dedicated service that has contributed greatly to our bank's growth and success. We honor his career contributions on page 6.

If you would like to learn more about *Banking Done Your Way®*, please visit us online at fmtrust.bank, connect with my office, or stop by your nearest F&M Trust location.

Keep reading to learn details on how F&M Trust serves customers, shareholders, and supports local communities in Pennsylvania and Maryland. Thank you for your continued support and trust.

Sincerely yours,

Craig Best

President & CEO

Franklin Financial Services Corporation
and F&M Trust

2ND QUARTER FINANCIAL HIGHLIGHTS

Dollars in thousands except per-share data / Unaudited

Selected Financial Data	Jun 30, 2025	Jun 30, 2024
Total Assets	\$ 2,286,745	\$ 2,039,126
Loans, Net	\$ 1,500,035	\$ 1,301,302
Deposits	\$ 1,893,471	\$ 1,586,458
Book Value per Common Share	\$ 35.22	\$ 31.01
Return on Average Assets ¹	0.89%	0.63%
Return on Average Equity ¹	13.27%	9.71%



COMPLETE EARNING DETAILS AVAILABLE AT [FRANKLINFIN.COM](https://franklinfin.com)

Certain statements appearing herein which are not historical in nature are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements refer to a future period or periods, reflecting management’s current views as to likely future developments, and use words “may,” “will,” “expect,” “believe,” “estimate,” “anticipate,” or similar terms. Because forward-looking statements involve certain risks, uncertainties and other factors over which Franklin Financial Services Corporation has no direct control, actual results could differ materially from those contemplated in such statements. These factors include (but are not limited to) the following: general economic conditions, changes in interest rates, changes in the Corporation’s cost of funds, changes in

government monetary policy, changes in government regulation and taxation of financial institutions, changes in the rate of inflation, changes in technology, the intensification of competition within the Corporation’s market area, and other similar factors.

We caution readers not to place undue reliance on these forward-looking statements. They only reflect management’s analysis as of this date. The Corporation does not revise or update these forward-looking statements to reflect events or changed circumstances. Please carefully review the risk factors described in other documents the Corporation files from time to time with the SEC, including the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and any Current Reports on Form 8-K.

1 - Year-to-date results annualized. 2 - At close.

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- Free retirement planning consultation
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WITH SINCERE THANKS

After 23 years of dedicated service, Skip Jennings retired from his position as Vice Chairman of the Board.

In 2002, Allan (Skip) Jennings Jr., joined the FFSC Board of Directors, applying his automotive industry sales and marketing experience to support the long-term growth and success of F&M Trust. After serving in a variety of capacities, he most recently became Vice Chairman. The bank and its stakeholders have benefited greatly from Skip's valuable involvement and leadership.

Prior to joining the bank as a director, Skip graduated with honors from Lehigh University in 1971 with a B.S. in Industrial Engineering. He was President and CEO of Jennings Automotive, Inc. (dba Jennings Chevrolet Buick GMC) from 1986 to 2021. He has served as Vice

President and Consultant of Jennings Automotive. Skip is a former director and past Chairman of the Pennsylvania Automotive Association and the Chambersburg

Area Development Corporation. He currently serves as a Director and Treasurer of the Pennsylvania Automotive Association Charitable Foundation. The Board of Directors has greatly valued Skip's entrepreneurial background and business

experience. His participation on local boards provided valuable input relative to the Franklin County area.

The entire F&M Trust family wishes Skip all the best as he begins a new era of his life. *We can never thank you enough, Skip.*



Leading The Way

A great bank starts with great people. Meet a few key members of our F&M Trust team:



Maria Preisse APPOINTMENT

Executive Assistant/PM Events Director, Executive Mngmt.

Maria is responsible for performing a variety of projects, event planning and administrative duties to assist the bank's Chief Operating Officer. In this capacity, she will support the achievement of strategic objectives, proper corporate and bank reporting and further lend support to the bank's shareholder relations efforts. Maria is assigned to the corporate headquarters in Chambersburg.



Dave Winters PROMOTION

Consumer Loan Operations Manager

In his new role, Dave will perform a variety of duties relating to the processing and underwriting of consumer loans. His responsibilities include managing the consumer processing staff, assist in the administration and maintenance of the consumer loan origination system and in processing of the loans, provide loan officers and customers with loan support of their loan application packets, and provide training to consumer loan officers and processing personnel. Dave is located at the Carlisle Crossings Community Office.



Heather Gormont PROMOTION

Consumer Lending and Retail Loan Operations Manager

In her new role, Heather will develop and implement strategies to achieve income, growth and quality goals, establish annual budget, and lead product development of consumer loan offerings. Additionally, Heather will oversee the residential mortgage processing area as well as the compliance and credit of the consumer and mortgage loan portfolio, provide training and oversee the production process. Heather is located at the corporate headquarters in Chambersburg.



Helpful Ways

F&M Trust Celebrates Making a Difference for 25 Years with American Literacy Corporation's Library Tour

For 25 years, F&M Trust has sponsored the American Literacy Corporation's (ALC's) Library Tour in visiting five or six libraries a year as part of the annual tour. From Harrisburg to Greencastle, approximately 100 to 150 children per location have enjoyed visiting the library in an effort to increase reading awareness and decrease the number of children and adults suffering from illiteracy.

Floyd Stokes, author of 30 books, joined the effort to visit schools, libraries and other community organizations throughout the U.S., including Pennsylvania and Maryland. According to the ALC, its mission is to support new and on-going literacy efforts by working with other programs targeting educational enhancement and development. Since its partnership began with

ALC, F&M Trust team members have participated in reading to the children in the communities where we serve with over 500 hours volunteered as part of the library tour. Making it more special is how much the program has grown in the last 25 years. In total, the ALC has read to over 350,000 children since its founding, and F&M Trust has been there by its side.

"The American Literacy Corporation is extremely grateful for the generous support of F&M Trust in supporting its literacy programs for the last 25 consecutive years. It's a culture of altruism that is refreshing to see in today's world. Thank you, F&M Trust, for your dedication and commitment to improving the lives of people in central Pennsylvania," stated Floyd Stokes, Founder, Executive Director and Author.